



# **Briefing for Climate Change Committee**

## **Proposed Amendments to Regulation XXVII & Rule 2702 Bank Funding**

April 7, 2010

# Background

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- Regulation XVII adopted in December 2008, amended February 2009
- SoCal Climate Solutions Exchange is a voluntary program for generation of GHG emission reductions
- Through private party (Rule 2701) or can give funds to SCAQMD (Rule 2702) for GHG reduction projects

# Protocols in Rules Currently

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- Manure Management (Methane Digesters)
- Urban tree planting
- Forestry



# Proposed Amended Rules

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- Amend Rule 2700 so protocols can be added without CARB approval.
  - CARB's recent resolution on voluntary protocols
  - Protocols in Rules 2700, 2701, and 2702 are voluntary protocols which no longer require CARB's approval
- Amend Rules 2701 & 2702 – reflect most recent protocols

# Proposed Amended Rules (cont)

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- Add a boiler and process heater (B/PH) efficiency protocol to the approved protocol list
  - Method to calculate GHG reductions from B/PH efficiency improvements
  - For voluntary reductions
  - Use for CEQA, other mitigation
  - Future uses TBD
  - \$10-15/MT CO<sub>2</sub>
  - Payback = 2-3 years

# Boiler Profile by Size (South Coast Basin)

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By Size	# of Boilers
> 110 MMBtu/hr	125
5-110 MMBtu/hr	1,800
< 5 MMBtu/hr	> 65,000

# Funding Rule 2702 Bank

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- Transfer \$500,000 from the Undesignated Fund to establish a bank
  - A pre-funded bank of GHG emission reductions
  - Enable staff to more quickly assist those requesting GHG mitigation via Rule 2702

# Schedule

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- Set Hearing: May 7, 2010
- Public Hearing: June 4, 2010